

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6829

BILL NUMBER: HB 1288

DATE PREPARED: Dec 18, 2001

BILL AMENDED:

SUBJECT: Political Party License Plates.

FISCAL ANALYST: James Sperlik

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill creates political party license plates. It requires a county chairman to provide to the Bureau of Motor Vehicles (BMV) a list of individuals who are to receive political party license plates. The bill requires fees to be paid to a county chairman and the BMV for political party license plates.

Effective Date: July 1, 2002.

Explanation of State Expenditures: There would be additional expenses for the Prison Enterprise Network (PEN Products), the manufacturing arm of prison-made products, to make these plates. Their charges would be based on the number of colors in the design as shown in the schedule below:

<u>Colors</u>	<u>Set-Up Charge</u>	<u>Price Per Plate</u>	<u>Price Per Plate if Personalized*</u>
1	\$105	\$3.90	\$4.40
2	\$170	\$4.00	\$4.50
3	\$235	\$4.10	\$4.60
4	\$300	\$4.30	\$4.80
5	\$365	\$4.60	\$5.10
6	\$430	\$5.00	\$5.50

* For the 2001-2003 biennium.

Additional charges include \$75 per color for any special colors that are not included in PEN's ten standard colors. If PEN Products does the artwork, there is a \$45 per hour charge. Origination fees include the film positives and the silk screen charges. When artwork is provided by the customer, the set-up fee is \$17.50. The fund affected for PEN Products is PEN Products Revolving Fund.

The proposal provides that the two major political parties would be eligible for the newly created plate, along with a political party that received not less than 5% of the total vote cast in the last general election for the

office of Governor. In the last general election for Governor, one third-party candidate received 38,458 votes, or 1.765% of the total vote cast for Governor, while another candidate received 145 total votes.

The proposal provides that in counties of less than 50,000 population, each party receives 100 political party license plates. For counties with a population of at least 50,000 and not more than 249,999, each political party receives 300 political party license plates. In counties with a population of at least 250,000 and not more than 499,999, each political party receives 500 political party license plates. Lastly, in counties with a population at least 500,000, political parties receive 700 political party license plates.

There are 66 counties with a population of less than 50,000. These counties would receive 100 plates for each political party, or a total of 200 plates. There are 22 counties with a population of at least 50,000 and not more than 249,999. These counties would receive 300 for each political party, or a total of 600 plates. Further, there are three counties with a population of at least 250,000 and not more than 499,999. These counties would receive 500 plates for each political party, or a total of 1,000 plates. Lastly, there is one county with a population of at least 500,000. This county would receive 700 plates for each political party, or a total of 1,400 plates.

The total number of plates to be produced would amount to 30,800 plates. The total cost for the 30,800 plates is estimated at \$133,328.

The proposal also provides that the BMV must establish rules for the county chairs of the political parties involved to pay the BMV for the expenses incurred in the production and distribution of the new license plate.

Background Information

The BMV reports that on December 1, 1997, a memo was sent to all county chairs in the state regarding the procedure for Democratic and Republican license plates. The format for those license plates is 49D1 (Democratic) and 49R1 (Republican). These plates are generally sent to the branch of the county seat and are available for pick-up during the renewal month of the customer.

An additional \$30 fee is assessed at the branch in addition to the normal registration fees. This fee is paid every year. The individual who is awarded a particular license plate is required to bring in a copy of the approval form in order to acquire the license plate. Each low-digit plate requires its own completed form.

From the above, it appears that the BMV already has in place a procedure to address the political party license plate.

Explanation of State Revenues: The proposal provides for the BMV to charge a fee which must be reasonably related to the cost for the manufacture, processing, and distribution of the plate. This revenue is to be deposited into the State License Branch Fund which supports the operation of the 168 license branches throughout the state. The change in revenue to the State License Branch Fund will depend upon whether the fee that is established is more or less than the \$30 fee currently charged.

Explanation of Local Expenditures:

Explanation of Local Revenues: [Note: Although not local government revenues, the proposal provides for a \$25 fee to be paid to the county chair of the political parties involved. If the 30,800 license plates are

sold, total revenue accruing to the county chairs would amount to \$770,000.]

State Agencies Affected: Bureau of Motor Vehicles; Department of Correction (PEN Products).

Local Agencies Affected:

Information Sources: Becky Gillam, Sales and Marketing Director of PEN Products, 387-2020; Melanie Schwartz, Deputy Commissioner of the BMV, 232-1218.